

State of Missouri

Office of Secretary of State

Case No. AP-07-51

IN THE MATTER OF:

ST. JAMES CREDIT COMPANY; DUSTIN
DELUCA; and LESLIE KOERBER,

Respondents.

FINAL ORDER TO CEASE AND DESIST AS TO RESPONDENTS **ST. JAMES CREDIT COMPANY AND DUSTIN DELUCA**

On May 19, 2008, the Enforcement Section of the Securities Division, by and through Mary S. Hosmer, Assistant Commissioner, and Leonard Komen, counsel for Respondent Dustin DeLuca, submitted a Joint Petition for Final Order to Cease and Desist and Request for Hearing on Payment of Civil Penalties and Costs for Respondent Dustin DeLuca (the "DeLuca Petition"). On May 23, 2008, Ms. Hosmer, on behalf of the Enforcement Section, and Charles W. Riske, on behalf of Respondent St. James Credit Company, filed a Joint Petition for Final Order to Cease and Desist as to Respondent St. James (the "St. James Petition.") After reviewing the DeLuca Petition and the St. James Petition, the Missouri Commissioner of Securities Matt Kitzi issues the following Final Order:

PROCEDURAL BACKGROUND

1. On October 4, 2007, the Commissioner of Securities issued an Order to Cease and Desist and Order to Show Cause Why Civil Penalties and Costs Should not be Imposed, Order AP-07-51.
2. On October 29, 2007, Respondents St. James Credit Company and Dustin DeLuca filed requests for a hearing in this matter.
3. St. James Credit Company is now in bankruptcy, *In Re: St. James Credit Company, Debtor, Case No. 07-40363-659*.
4. On April 21, 2008, Katy A. Surratt-States, the U.S. Bankruptcy Judge assigned to the St. James Credit Company bankruptcy matter, granted Mr. Riske, the bankruptcy trustee, authority to settle the instant matter on behalf of St. James Credit Company.
5. On April 29, 2008, the Enforcement Section of the Securities Division filed a Motion to Withdraw Request for Civil Penalties and Costs as to Respondent St. James Credit Company.
6. In the St. James Petition, the Enforcement Section and Respondent St. James Credit Company requested that the Commissioner issue a Final Order to Cease and Desist.
7. In the DeLuca Petition, the Enforcement Section and Respondent DeLuca requested, among other things, that the Commissioner:

- a. issue a Final Order to Cease and Desist in this matter as to Respondent DeLuca, and that the Commissioner amend the October 4, 2007 Cease and Desist Order as suggested in an attachment to the DeLuca Petition; and
 - b. set and hold a hearing on the matter of civil penalties and costs as to Respondent DeLuca.
8. Through their requests for a final order, both Respondent St. James Credit Company and Respondent DeLuca have effectively withdrawn their requests for a hearing on the allegations in this matter.
 9. The Commissioner has taken official notice that St. James Credit Company is in bankruptcy and that expected payouts from the bankruptcy estate to the creditors filing claims will be for less than full value.

ORDER

NOW, THEREFORE, it is hereby ordered that:

- A. The Cease and Desist Order entered in Case Number AP-07-51 on October 4, 2007, is **FINAL** as to Respondent St. James Credit Company.
- B. The Cease and Desist Order entered in Case Number AP-07-51 on October 4, 2007, is **FINAL** as to Respondent Dustin DeLuca, with amendments to only the following paragraphs:

- (1) Paragraph 13 of Cease and Desist Order in this matter, as it applies to Respondent DeLuca, shall now read, in its entirety:

Between 1999 and 2005, MR1 questioned Hart and later DeLuca about the stability of St. James Credit Company.

- (2) Paragraph 24 of Cease and Desist Order in this matter, as it applies to Respondent DeLuca, shall now read, in its entirety:

On February 28, 2006, a Missouri resident ("MR4") inquired about an investment opportunity in St. James Credit Company. MR4 purchased promissory note number 604, in the amount of ten thousand dollars (\$10,000.00), which promised to pay six percent (6%) interest annually.

- (3) Paragraph 25 of Cease and Desist Order in this matter, as it applies to Respondent DeLuca, shall now read, in its entirety:

In October 2006, MR4 heard that St. James Credit Company might be filing for bankruptcy. He contacted DeLuca and asked if DeLuca was aware of the financial problems in February when MR4 originally invested."

- (4) Paragraph 27 of Cease and Desist Order in this matter, as it applies to Respondent DeLuca, shall now read, in its entirety:

In July 2007, St. James Credit Company held a creditor's meeting after a

Chapter 7 bankruptcy had been converted to a Chapter 11 bankruptcy. MR1, MR2, and MR3 were present at this creditor's meeting.

- C. A hearing shall be set by separate order concerning the Enforcement Section's request for civil penalties and costs as to Respondent DeLuca.
- D. Respondents St. James Credit Company and Dustin DeLuca shall pay their own costs and attorneys' fees with respect to this matter.
- E. This Order in no way dismisses or serves as a final resolution or order in this matter as it pertains to Respondent Leslie Koerber.
- F. This Order is in the public interest and is consistent with the purposes intended by the Missouri Securities Act of 2003.

SO ORDERED.

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 28th DAY OF MAY, 2008

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of May, 2008, a copy of the foregoing FINAL ORDER TO CEASE AND DESIST AS TO RESPONDENTS ST. JAMES CREDIT COMPANY AND DUSTIN DELUCA, filed in the above-styled case, **was mailed by U.S. Mail to:**

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and by hand-delivery to:

Mary S. Hosmer
Assistant Commissioner
Enforcement Section, Securities Division

John Hale
Specialist